

Maricopa County Community Services Commission

Maricopa County Human Services Department

234 N. Central, 3rd Floor Conference Room

Phoenix, Arizona 85004

Special Meeting

Monday, November 8, 2004

6:00 P.M.

Minutes

Members Present:

Chair – Councilman Ray Shuey, City of Avondale
Vice Chair - Councilman Fred Hull, Town of Gila Bend
Marty Sonnenberg, Salt River Project
Mark Bratman, The Salvation Army
Councilwoman Kathie Farr, City of Tolleson
Councilman Larry Morrison, Town of Gilbert

Lorenzo Aguirre, Northwest Low-income Representative
Sarah Bravo-Palma, Eastside Low-income Representative
Marta Monyer, Eastside Low-income Representative
Walter Gray, St. Vincent de Paul
Lynn Farmer, Southwest Low-Income Representative
Robert Morehouse, Senior Citizens Council Maricopa County

Members Absent:

Louise Moskowitz, APS	Excused
Councilwoman Margarita Cota, Town of Guadalupe	Excused
Joyce Lopez-Powell, Valley of the Sun United Way	Excused
Barbara Webster, Southwest Low-Income Rep.	Excused
Councilman Steven E. Frate, City of Glendale	Excused
Terri Cruz, Chicanos por la Causa	Unexcused

Presenters/Staff/Guests Present:

Staff:

Margarita Leyvas, Community Services Division
Mindy Wakefield, Community Services Division
Virginia Sturgill, Community Services Division
Yvonne Seel, Community Services Division
Rachael Schultz, MCHSD

Guests

Ramon Leon, Guadalupe CAP
Racel Aleman, Chandler CAP
Alicia Griffin, Buckeye CAP
Diane Smith, Avondale CAP

Moises Gallegos, City of Phoenix
Valerie Trujillo, City of Scottsdale
Fred Waterman, Mayor-City of El Mirage
Roy Delgado, Councilman-City of El Mirage
Diane Dempsey, Gila Bend CAP
David Hays, Wickenburg CAP
Sylvia Sheffield, Avondale CAP
Janey Montoya, Tolleson CAP
Christine Wetherington, Community Services of Arizona

1. OPENING

A. Call to Order

The meeting was called to order at 6:08 PM by the Chairman, Councilman Ray Shuey.

B. Roll Call/Introductions

Virginia Sturgill called roll. Twelve members were present; a quorum was established. The following members were absent and asked to be excused: Louise Moskowitz, Councilwoman Margarita Cota, Joyce Lopez-Powell, Barbara Webster, Councilman Steven E. Frate. Robert Morehouse made a motion to excuse the absences; motion was seconded by Marty Sonnenberg. The vote was unanimous. Motion carried.

Everyone introduced themselves.

C. Opening Prayer

Marty Sonnenberg led the prayer.

D. Pledge of Allegiance

Councilman Hull led the Pledge of Allegiance.

E. Approval of Minutes

Councilwoman Farr made a motion to accept the minutes of the 9/27/04 and 10/25/04 meetings. The motion was seconded by Lorenzo Aguirre. The vote was unanimous and the motion carried.

2. Business

**A. Directors Report on
DES Funding Formula**

Marge Leyvas provided information and a power point presentation on the affects the new DES funding formula will have on Maricopa County Community Action Agencies (CAAs). These cuts will effect the current fiscal year through contract amendments retroactive to July 1, 2004.

Marge reported that per the new DES funding formula, every fund source, administrative and direct service, will be distributed as follows:

- 5% of each fund source only to rural CAAs – that is \$833,599
- 10% based on unemployment
- 85% based on population below 125% of the Federal Poverty Level
- \$150, 000 minimum funding variable for CSBG and TANF funds

Marge reported that DES based the new formula on “indicators” that poverty is more persistent in rural counties and therefore have a need for more frequent services. Marge shared that she asked DES if guidelines would be changed for rural counties, since clients can only access services once in a 12-month period per fund source. Marge stated that she also asked DES to apply the new formula to administrative dollars only and not the direct service dollars. DES staff refused.

Per DES’ definition, there are four (4) Urban CAAs; Pima County and three in Maricopa County (city of Mesa, city of Phoenix, Maricopa County Human Services Department). DES considers MCHSD an urban CAA, even though a large portion of the service area is rural. Marge reported that 74% of the low-income population in Arizona lives in Maricopa and Pima counties.

The combined total loss to the urban CAAs is \$667,454. The rural CAAs in the state will gain \$797,407; the low-income population in rural CAAs service areas is 25%.

The actual reduction to MCHSD is \$191,053. A combined total reduction of \$602,069 will affect all of Maricopa County and the three (3) CAA's within its boundaries. Marge stated that CAP contracts would not be decreased due to MCHSD's DES approved CSBG carryover plan. However, the new DES funding formula means a significant decrease to the direct services dollars.

Moises Gallegos of the City of Phoenix Human Resource Department remarked that MCHSD Community Services staff has done an excellent job in presenting information. He stated that the funding formula issue has been going on since 2001, and since that time DES has been looking for a rural factor and were not able to provide enough proof that it cost more money to serve clients in the rural areas then it did in the urban areas.

Marge reported that DES will be holding a CSBG hearing on November 30th. Time and location was not available at this time, but information will be provided once it is received. It is DES' intention to implement contract amendments immediately after the CSBG hearing.

Discussion on the presentation followed. Mr. Bratman questioned the legality of DES making retroactive changes to the current contract. Marge reported that the DES contract states that funds can be reduced due to availability. Discussion followed on funds currently provided to the rural counties.

There was discussion on resources available in urban areas as opposed to those in rural areas. Mr. Gray stated that rural areas do not have the economic development that urban areas have; he stated there should be a rural factor and consideration should be given to resource availability. Mr. Gray stated that DES has a statewide responsibility to ensure services are available.

Councilman Shuey asked if DES was notified of the Commission meeting and if they were invited to attend. Marge stated that agendas are regularly sent to DES. A DES representative was not present.

Marge stated that during the entire funding formula process, begun in March 2001, MCHSD's position has been supportive of a statewide CAA network, and supported an increase in the minimum funding variable or base in the two administrative funding sources. However, the new formula increased the minimum funding variable, added a new rural only factor, and it is also being applied to the direct services funds. She stated that this is not what has been discussed at the DES statewide CAA directors meetings since August 2002.

Councilwoman Farr stated that if direct services funds are provided without administrative dollars, services can not be provided because there will not be any staff to complete applications. Discussion followed regarding lack of funds to assist all individuals who request assistance now.

Diane Dempsey raised the question on challenging the fact that MCHSD is labeled an urban CAA, since such a large portion of Maricopa County is rural. Marge stated that she had asked DES if Yuma County or Coconino County had been considered urban or rural, as defined by the U.S. Census Bureau. DES stated that they did not use the census definition; they decided that Maricopa County and Pima County would be urban. Diane stated that the rural CAPs in Maricopa County will be hardest hit because of this decision.

B. Possible Action on issues related to new funding formula

Councilman Shuey expressed his concern about the way the funding formula decision was made without input from the community or the CAAs. He also stated that DES could have sent a representative to the meeting to provide an explanation on why the new funding formula will be implemented.

Councilman Shuey stated that discussion needs to take place to determine the direction and action the commission would like to take. Councilman Shuey stated that Supervisor Wilcox has taken this issue under advisement. Supervisor Wilcox was instrumental in getting Mr. Clayton to meet with the commission when DES was implementing a new funding formula in August 2002.

Councilman Shuey proposed that a motion be made to ask MCHSD to meet with county attorneys to review the existing agreement to verify that in fact a change can be made. Councilman Hull so moved, Motion seconded by Councilman Morrison. No further discussion. The vote was unanimous. Motion carried.

Councilman Hull stated that he would be willing to work with Diane Dempsey and Marge Leyvas to bring this before the Gila Bend Town Council, to develop a resolution on the dollar impact to Gila Bend. Diane asked about the possibility of having all Maricopa County cities and towns work collectively to gather information on the impact this will have in their communities, and challenge each point that DES made in developing the funding formula.

Marge reported that a joint meeting was discussed with Supervisor Wilcox. Supervisor Wilcox' recommendation was that many, individual meetings would have a greater impact.

Marge restated that Maricopa County's position is to support a statewide CAA network. Marge stated that the legislative intent of CSBG is to reduce or remove barriers that cause poverty, but that is not the intent of LIHEAP. LIHEAP is a non-crisis fund source to help eligible families. The intent of TANF is not to remove the causes of poverty; it is for short-term crisis services, to help families in an emergency or crisis.

Marge stated the greatest concern is the cuts in direct service funds that will impact clients. Marge stated that administrative fund reductions would not impact CAP contracts; adjustments would be made in the

Community Services Division internal budget.

Councilman Hull asked if MAG is aware of the new DES funding formula. Marge reported that she has been in contact with Debbra Determan. Marge stated that she mentioned the DES cuts at the last meeting of the West Valley Stakeholders. Both organizations are waiting for more information. Marge stated that she would send information on the CSBG hearing once she receives it.

Councilman Hull made a motion that the commission send a letter to Mr. Berns, DES Director, opposing the new funding formula. Hull stated that the letter should be sent to all organizations represented by the commission, as well as legislators and the Governor. Motion seconded by Councilwoman Farr, discussion followed:

- Mr. Gray suggested asking the DES Director to not implement the new funding formula and negotiate another funding formula, or implement the funding formula that Mr. Clayton put into place.
- Councilman Morrison supported a letter opposing the new funding formula.
- Mr. Bratman stated that there is a cost factor involved here as well. The cost of preventing homelessness is less than moving individuals out of homelessness. By reducing service dollars to the areas that have the largest low-income populations will have a great negative impact.
- Ms. Sonnenberg asked if MCHSD is researching all the data that was provided by DES as factors in determining the funding formula. Marge stated that DES provided a list of all source documents that were used as indicators for the funding formula. Marge stated that all source documents are being reviewed. Marge stated that some of the information provided by DES had mathematical errors: percentages were incorrect, some totals did not match.
- Dave Hayes stated that clients in his service area (Wickenburg) regularly move to larger communities, such as Phoenix and Glendale, because of the additional resources. If funds are cut to the urban CAAs, where are clients suppose to go?
- Councilman Shuey expressed that it is a fallacy that Maricopa County is an urban area. Gila Bend and Buckeye are not urban areas, they are as rural as areas around Flagstaff or Springerville.
- Diane Dempsey asked if studies have been done to determine the cost of living in urban as opposed to rural. Diane reported that her experience has been that rent and utilities are higher in the urban areas. Marge stated that she had asked DES if the Children's Action Alliance *Self-Sufficiency Standard for Arizona* had been utilized. The Standard has cost living figures for different areas in the state. Marge stated that it appears that DES utilized only parts of the Standard, such as the average annual income, that support a "rural only" factor.
- Marge stated that, in the MCHSD service area, cities and towns already leverage 56% to 57% of funds to operate the CAPs.

Most cities and towns are already at their limits.

- Marge restated that the DES funding formula issue has been going on since 2001, and that since then a rural factor was discussed, but never determined. Then in August 2002, Director Clayton made a decision on the funding formula.
- Councilman Shuey stated that DES has provided a document listing reasons for the changes in the funding formula. Councilman Shuey suggested reviewing the document to refer to the arguments made by DES.

Councilman Hull amended his motion. He stated he would like to consider comments made by commission members and that the letter include a conciliatory message, leaning towards opposition to the new funding formula. Councilwoman Farr agreed with the amended motion. Discussion followed:

- Mr. Bratman disagreed. He stated that a conciliatory letter will not get the point across. Bratman stated that the letter needs to target in on the rural factor and where this is coming from. He stated that legislators need to be notified of proposed cuts in the urban areas.
- Councilman Morrison stated that legislators, Board of Supervisors and the Governor need to be notified of these proposed cuts.
- Councilman Shuey stated that the letter would be more effective if it was signed by all commission members. Staff would collect signatures once the letter was drafted and approved.

No further discussion. Vote was held; vote was unanimous. Motion carried.

Councilman Morrison asked if there would be collaboration with Pima County, and if they are going to write a letter. Marge stated that she has been in contact with Pima county staff. Marge stated that she will offer to share research information with them.

Councilman Morrison requested that staff find out who committee legislators are and pass that information on to commission members so they can present information to the city and town councils.

C. Commission Membership Vacancies

Two nominations were submitted as alternates for the following commission seats:

- **Senior Citizens Council of Maricopa County - Claudia Walton**

Councilwoman Farr made a motion to accept the nomination of Claudia Walton as alternate for the Maricopa County Senior Citizens Council. Seconded by Marty Sonnenberg, The vote was unanimous and the motion carried.

- **Southwest Low-Income Representative-Joe Blanton**

Marge stated that Mr. Blanton was nominated to serve as Low-Income Representative-Alternate, but since Lynn Farmer can not serve as a

representative, Mr. Blanton would move into the representative position.

Councilman Hull made a motion to accept the nomination of Joe Blanton as Low-Income Representative. Seconded by Councilman Morrison. The vote was unanimous and the motion carried.

**D. Removal of
Commission Low-
Income
Representative
nominees**

Marge reported that CAAs nationwide, received a memorandum from the federal Department of Health and Human Services, regarding tri-partite board composition and she had contacted HHS for information and clarification on the composition of the board.

Points of clarification:

- Low-income representatives must reside in the service area.
- A city/town employee would still be considered a public official due to their employment.

Marge asked that Nancy Warner's nomination which was ratified/accepted at the September 27th meeting be withdrawn, because she does not reside in the representative area. She resides in Mesa.

Per HHS, Lynn Farmer, nominated as a low-income representative, would still be considered a public official due to his employment as Town Manager for Gila Bend. The Commission seat for an elected/public official from that area is currently filled. The addition of Mr. Farmer would place the Commission in non-compliance with the tri-partite requirement (1/3 low-income, 1/3 public official, 1/3 private sector).

Marge asked that the nomination of Lynn Farmer that was ratified/accepted at the September 27th meeting be withdrawn. Councilman Shuey thanked Mr. Farmer for his willingness to serve on the commission. Mr. Farmer stated that he would be willing to help with any issue and would like to continue to participate.

Robert Morehouse made a motion to rescind the names of Nancy Warner and Lynn Farmer as low-income Representatives to the commission. Councilman Hull seconded the motion. The vote was unanimous and the motion carried.

Discussion on remaining vacancies. Staff will continue to work with commission members to get all alternate vacancies filled.

**E. Proposed
commission
meeting dates for
FY 2004-2005**

Councilman Shuey reported that the commission must meet nine (9) times per fiscal year per DES contract and CAP Plan. Councilman Shuey reported that with the meeting held tonight, the commission will be able to meet this goal. No meeting will be held in December. Meetings will resume in January. Councilman Hull proposed this item be removed from agenda. Seconded by Lorenzo Aguirre, The vote was unanimous and the motion carried.

3. Closing

A. Board Remarks & Announcements

- Councilman Shuey stated that the Maricopa County Community Development Advisory Committee meets Wednesday evenings, he invited everyone to attend. 33 N. Central Avenue 3rd floor.
- Mr. Gray commented that there is a lack of resources for social services and requested staff gather information on the gaps in services. Mr. Gray suggested this information be presented to state legislators. Mr. Gray expressed the need to increase resources. Marge shared that needs assessments are conducted and that MCHSD Community Services participates with the MAG Needs Assessment; MCHSD/CSD staff serve on the Emergency Food and Shelter Program board which conducts an annual community social services need Environmental Scan. The MAG assessment will be completed 6 to 7 months. Mr. Gray withdrew his request.
- Councilman Hull reported that the 2nd Annual Shrimp Fest will be held in Gila Bend, November 13th.

B. Call to the Public

- None

C. Adjournment

Councilman Hull made a motion to adjourn, seconded by Robert Morehouse. The vote was unanimous and the motion carried. The meeting ended at 7:48 PM.